

Winter Review 2004

winter sun? brighter outlook?

The second half of the year has been better for local government than the first. In July the picture was gloomy – no clear outcome from the balance of funding review, not enough money in the spending review, the sudden publication of key government departments' five year strategies (without consultation with local government on issues affecting us) and some mixed messages for local government about its role. Since then there has been progress: the launch of consultation on the Office of the Deputy Prime Minister's (ODPM) vision for local government; pilot local area agreements alongside second generation local public service agreements (LPSA); a positive central-local partnership meeting between leading councillors; and senior ministers and the recognition of councils' role in the recent police reform white paper.

Bold and radical decentralisation

The bold demands and commitments in the Local Government Association's (LGA) manifesto for local communities, *Independence, opportunity, trust* launched in September, form the constant framework for the LGA's work on behalf of local communities and councils in England and Wales. Our manifesto's proposals are not a mix and match package – they stand or fall as a whole – and are aimed at the whole of government (not just 'our' departments) and the other political parties.

We pledge that every council will carry on improving – and that in three years time no council will be rated as poor or weak – and we have an ambitious programme in place to support this. In return we have challenged national parties to support wholeheartedly devolution to local councils and have called on them to review all key public services and national agencies, transferring them to local democratic control wherever possible, keeping central government control to a minimum. This means focusing only on a small number of nationally-monitored targets agreed between ministers and local government, and streamlining inspection.

These demands and challenges reflect what needs to be done to realise a vision of self-governing local communities, led by councils free from Whitehall interference. This vision was developed after wide ranging consultation and public debates across England and Wales in the first six months of this year.

Our manifesto has some answers to the truly crucial issues faced by government – greater devolution and engagement with local people in communities up and down the country and solutions to the conundrum presented by the current, unsustainable council tax system. Our final demand in the manifesto is a radical reform of local taxation to give communities greater financial independence – with at least two thirds of councils' income raised and distributed locally.

Money, money, money

Money and how councils use their resources was our key focus at the start of the summer. Despite the LGA's 'combination option' a cross-party contribution to the government's review of local government funding, the government has decided to delay action to await the results of a new review of council financing to be carried out by Sir Michael Lyons.

And the 2004 Spending Review – announced in July – was a disappointment for councils. It did not reflect the full range of pressures councils face and this will be felt by all councils, but particularly district councils. Since the announcement we have been voicing the need for resources for district councils to provide key local services such as waste, recycling, street cleaning, lighting, parks and leisure centres, much valued by communities, to ensure these services do not become casualties of the spending review. Since July we have used every opportunity to call for an additional £700 million to be put into the revenue support grant (due to be announced shortly) and for a further £300 million to be made available to meet (change ?urgent) needs. Only if these additional amounts are made available will councils be able to match the government's desire to see council tax per cent rises next year in single figures.

The start of a new approach

Despite the shortage of 'hard cash', the spending review did announce the concept of local area agreements (LAAs) to devolve decision-making to the most appropriate level. Presenting the start of a new form of local governance to give councils a lead role in joining up spending and services to meet local needs, not Whitehall-led targets. We have worked with government on the development of LAAs and since the announcement the LGA has lobbied government to ensure that the scheme will reflect the breadth and diversity of local government, and has increased the number of pilots from nine to 21, including a range of district councils. This is a step towards meeting our demand for democratically accountable local public services.

Recognising councils

November's police reform white paper is one of the most positive recognitions of local councils' community leadership role to emerge from government. Reflecting behind-the-scenes work between the LGA and the Home Office the white paper gives councils and their communities more influence over local policing and ensuring more police resources are deployed on the issues that matter most locally. And, although the public health white paper does not go as far, it still contains that crucial recognition of councils' community leadership role.

Half-term

The LGA's Local Democracy Week, celebrated just before the autumn half-term break, showed councils at their best in engaging with their communities, especially young people. Involvement in this annual event hit a record high this year with many thousands of young people, 4,000 schools and more than 500 young people's organisations and 350 local

councils. It engaged young people in issues that will affect them throughout their lives, and encouraged councillors to listen to what tomorrow's voters really want.

Short and sweet?

And finally, the Queen's Speech at the end of November set out a new legislative programme in what is likely to be a short parliamentary session in the run up to a 2005 General Election, but not necessarily be sweet. We have successfully lobbied for bills to be in this year's programme which will give councils more powers to improve the local environment and look forward to the implementation of police reform measures.

New proposals on education not only threaten local democratic accountability but are also a missed opportunity. The education bill will see funding for schools nationalised, ending local people's ability to assess and meet local educational needs and damaging the link between schools' services and other public services. Proposals in the bill to reduce the burden of inspection are needed – but as our manifesto says, we need to reduce this burden across the whole of the public sector, not just in schools.

However we will use the session to promote the need for the local democratic link in education and build on the positive lead offered by the police reform proposals, which makes real our manifesto demands.

Business plan 2005

The LGA's work in the year ahead will be dominated by the approach of a General Election. We will make the most of the pre-election period to promote the case for localism and reform of local taxation as set out in our manifesto. We will respond to the last legislative programme of the current government, which has major implications for local government, and prepare to press local government's case with new ministers, of whichever party, seeking or pursuing new policies.

Our 2004 business plan launched a new approach to our work, designed to focus our resources where they can achieve most impact. It was developed following an audit of external perceptions of the LGA that showed that we need to do fewer projects but do each of them better, pick our battles more carefully and have a stronger evidence base to support our arguments. The Winter Review shows how much this approach has achieved.

In 2005 we will build on this approach by incorporating what we have learned from the last year and make best use of the new member structure introduced from August. Our new structure, built round the LGA executive and six boards, ensures a clear strategic focus for policy formulation and lobbying, whilst ensuring the wide involvement of members through our urban and rural commissions, European & international, HR, scrutiny and resources panels, tourism & fire forums, police authorities in corporate membership and project-focused task groups.

Our business plan for 2005 will be built around ten key objectives. These have been agreed through discussion between the boards and the LGA executive and reflect the key priorities of each. The LGA executive, boards, panels and commissions have each agreed key objectives that reflect their specific contribution, and will decide early in the New Year on detailed work programmes to deliver them. Work programmes will consist of relationship management work and projects which will normally be overseen by member task groups.

To deliver our business plan we need to manage the association's resources effectively. During 2005 we will take forward our programme of continuous improvement aimed at strengthening the organisation's management skills, driving forward efficiencies by working with the central bodies, and improving the information and services we provide to our members through our new information service, LGconnect.

LGA key objectives for 2005

To secure the delivery of the LGA manifesto and in particular:

- secure adequate resources for all member authorities to exercise all their functions;
- win a firm government commitment to a fair reform of local taxation that enables councils to collect at least two-thirds of their revenue through locally-controlled taxes and charges;
- seize every opportunity to reinforce the community leadership role of councils, particularly in relation to education, community safety and the management of offenders, public health, young people and the local environment, and by making the most of local public service and local area agreements;
- reverse the loss of powers from councils to regional and national quangos and improve arrangements for holding regional bodies to account;
- ensure councils lead the creation of sustainable communities and develop workable proposals to enable local communities to benefit from development gains;
- help councils make significant progress in devolving power beyond the town hall;
- help put 'poor' and 'weak' councils on track to rise out of these categories by 2008;
- win a government commitment to halve spending on inspection by 2008;
- help councils to achieve and retain the benefits from greater efficiency;
- undertake a sustained campaign to improve public perceptions of local government and raise the profile of councils' roles.

Achievements in 2004

Freedom to improve

We said we would:

- make the case for democratic localism built around empowered councils with the confidence to pursue devolution beyond the town hall;
- secure an improved second generation of local public service agreements (LPSA);
- get government backing for more robust local strategic partnerships (LSP);
- work with the Audit Commission to develop a new approach to comprehensive performance assessments (CPA) that focus on what matters locally;
- work with Improvement and Development Agency (IDeA) and others to help councils improve the way (they?) We work.

We have:

- won a better focus on local priorities in second generation LPSAs, a renewed commitment to freedoms and flexibilities and improved emphasis on partnership working;
- secured government support for Local Area Agreement pilots in 21 areas that will strengthen local partnerships by securing closer collaboration with public service partners and greater flexibility to deploy funds to secure key local outcomes;
- secured improvements in Audit Commission plans for CPA in 2005;
- secured further £150m for capacity building in the 2004 Spending Review (SR) and actively promoted take up of additional funds;
- published research on councils' use of area committees and forums;
- begun a major project on strengthening local political leadership.

Securing resources

We said we would:

- build a consensus on reform of the balance of council funding and an alliance to lobby for change;
- seek to ensure that SR 2004 meets local government's needs;
- make the case for locally responsive and flexible approaches to improving public services and meeting the needs of local communities;
- develop a new and more strategic approach to pay and workforce issues in local government.

We have:

- used the public debate on council tax levels to put the case for council finance reform;
- resisted capping and shown that government underfunding, not council profligacy, is driving council tax increases;
- won widespread agreement that no change to the council finance system is not an option;
- won cross-party support for our Combination Option for local finance reform and demonstrated its feasibility through exemplifications;
- published guides to implementing the Combination Option and relocalising business rates;
- used every opportunity to press for additional funds to be included in the revenue support grant settlement for 2005/6 and beyond.

Setting the agenda

We said we would:

- publish a local government ‘manifesto’ and work with each of our political groups to help them influence the policies of their parties;
- show that, as community leaders, councils have a key role to play in critical areas such as reducing child poverty, driving a local improvement agenda in further education, road pricing or helping to reduce domestic violence;
- show how freeing up other public bodies to work more closely with councils could lead to a real improvement in outcomes for local people.

We have:

- published *Independence, opportunity, trust*, our manifesto for local communities and used it to influence the government’s ten-year strategy for local government and more widely;
- negotiated an Accord on council/government collaboration to reduce child poverty and with the Department for Education and Skills, the Department for Work and Pensions, the Treasury and Inland Revenue;
- begun a 3-year project on reducing domestic violence with Home Office resources;
- won support from key partners for a vision for enhancing the learning and skills of 14 to 19 year-olds driven and steered by councils;
- prepared a position statement and good practice guide on councils’ relationships with correctional services and role in reducing re-offending, *Going Straight, due* to be published in February 2005;
- achieved a consensus across government, industry and political interests on the need to find new ways of funding local infrastructure to support delivery of sustainable communities;
- secured more resources, and clearer responsibilities, for local authorities to deliver gypsy and traveller sites within regional planning and housing strategy;
- contributed to the DfT sponsored feasibility study on road pricing, securing an acknowledgement of the key role of local authorities in any future road pricing regime.

Shared priorities and better services

We said we would:

- aim to put councils at the heart of the drive to improve public services;
- establish a programme of pathfinder work under each of the shared priority areas agreed with central government to develop new ways of addressing some of the most challenging public service issues;
- articulate a leadership role for councils in improving standards in schools;
- influence the implementation of the children's green paper;
- ensure that reform of the planning system takes place through local councils;
- ensure that the sustainable communities plan fulfils its potential;
- secure full implementation of the fire service modernisation plan.

We have:

- secured greater flexibility in the future management of children's services;
- commissioned research to establish how the wider local authority contribution improves educational outcomes for children and young people;
- established regional action-learning sets of councils and partners to problem-solve key issues affecting older people;
- showcased good practice in tackling anti-social behaviour that balances prevention and enforcement;
- established a network of councils to test and improve local strategies to reduce health inequalities;
- published, with the NHS Confederation and UK Public Health Association a visionary report, *Releasing the potential for the public's health*, and used it to win government commitment to a key role for councils in promoting public health;
- established demonstration projects to test ways of improving the performance of Crime and Disorder Reduction Partnerships;

- won acceptance of a key role for councils in rural delivery and establishment of council-led rural pathfinders to test innovative approaches;
- launched with partners a range of support projects to help councils achieve sustainable waste management targets and published a report, *10 easy ways to prevent waste*;
- won a commitment in the Queen's Speech to new powers for councils to improve the quality of the local environment;
- developed and gathered support for new ideas for funding mechanisms to finance local infrastructure projects;
- influenced the implementation of the energy white paper;
- continued to support the development of a preventative fire service and the implementation of risk management plans, and supported fire authorities in establishing regional management boards and regional control rooms.

Raising our sights

We said we would:

- secure a better image for local government;
- work with IDeA to help councils improve their communications;
- work with councils to promote local government successes in the national and regional media and with parliamentarians and other decision-makers.

We have:

- added new modules to the Connecting with Communities good practice material on transport and community cohesion;
- published *Local government matters*, a snapshot of local government services 2004–2005 for widespread distribution;
- published a *Journalists' guide to local government*, sponsored by The Guardian;
- secured the involvement of 350 councils, 4000 schools and more than 500 members of the British Youth Parliament in celebrating Local Democracy Week from 18 to 24 October 2004.

Organisational development

We said we would:

- consult with staff and members on ways to improve efficiency of the LGA, in particular by joining-up activity with the central bodies;
- improve management capacity and deliver management competencies;
- develop new ways of involving members in our work;
- invest in a new customer relations management system;
- embed the commercial approach;
- develop a new intelligence function to support our business planning process and ensure that the LGA delivers its ten-year vision for local government.

We have:

- developed proposals for integrating the human resources and internal finance functions of the LGA and central bodies from 1 April 2005, with the integration of other support functions following later in the year;
- used the information from 360 degree appraisal of senior staff to target management development activity;
- introduced new member structures that combine a clear strategic focus for our policy formulation and lobbying through the LGA and six boards, while ensuring widespread involvement of members through commissions, forums and task groups;
- implemented the first phase of customer relationship management system along with initial setting up of LGconnect; staff training programme in place for further phases;
- ensured that commercial activity is fully integrated into our business planning and continues to provide a stable source of income to support LGA activity;
- developed proposals for an intelligence function.